

Meeting of the Board of Directors of the Neptune House Owners Association

April 21, 2016

The Board of Directors (the "Board") of the Neptune House Owners Association (the "Association") met telephonically by conference call at 7:30 a.m. on Thursday, April 21, 2016. All members (Phil Totino, Mark Morrisette and Wayne Rioux) were in attendance. Also in attendance were Vice President of Facilities Planning Cheryl Moore, Secretary Chris Lindgren, Resort Manager Samantha Disotell, and Mike McManus of Vacation Resorts International (VRI).

Administrative Items

The Board, upon motion duly made and seconded, unanimously voted to approve the minutes of its meeting on April 8, 2016, as circulated in advance to the Board members.

The Board discussed final details for the newsletter to be sent to owners by VRI.

President Phil Totino reported that Roger Pare was updating the accounts of 49 delinquent owners to show all transactions, late fees and interest accrued. This information will be needed for collection/foreclosure actions. Secretary Chris Lindgren noted that Attorney Gregory Piccirilli, who had received information from the Association prior to November 1, 2015 regarding a number of delinquent owners, had indicated that he would provide what files, if any, he had to Sayer, Regan and Thayer.

Phil reported that registration information for the neptunehouse.com website had been updated to enable administrative control by the Association and that the related fee had been paid through March 2022. He also reported that the web hosting company had been changed to Weebly. Mike McManus indicated that he was researching a potential vendor to provide technical support for the website, and that he was arranging for new pictures of the resort to be posted on the site.

Legal Issues

Phil indicated that he as President and Chris as Secretary had signed the approved amended By-Laws, and Mike indicated that those By-Laws would be recorded this week in the Block Island Land Evidence Records, at which time they would become effective.

Chris reported that new forms for the deed needed to transfer fixed and float weeks to the Association had been finalized with Sayer, Regan and Thayer. Mike indicated that he would work with Chris to similarly revise the forms of deed used to transfer units from the Association and other owners to new buyers.

Financial Management

Phil summarized data provided by Mike regarding interim results of the Float Week Amnesty Program: 29 float shares had been paid prior to the amnesty, 16 have since been paid or are on payment plans, 21 have expressed a desire to relinquish ownership, and 49 have not yet stated their intention. Mike indicated that, after the deadline for participation in that program ends on April 30, VRI will send to collections any float week owners who did not elect to either turn in their float week or pay the revised \$690 per week float week fee. With respect to owner payments for float weeks, the Board addressed flexibility in float week scheduling.

Mike reported that notices had been sent to seriously delinquent owners, and that he anticipated having – prior to the Board’s next meeting -- proposals from three law firms to conduct non-judicial foreclosures of delinquent accounts.

Resort Management

Mike reviewed the updated list that he had sent earlier to the Board regarding signage, landscaping and other physical improvements in process or planned for the 2016 season. The Board members thanked Mike and Samantha Disotell for their rapid progress.

The Board then discussed possible ways to expand the resort sales and marketing program, including engaging Sterling Resort Group to sell Association-owned units, adding a “message board” to the neptunehouse.com website for owners to sell, rent or exchange units, and listing units for sale on the RedWeek.com website. Mike indicated that he was obtaining information regarding the possible participation of the resort in the RCI and Interval International points programs, and that he hoped to set up calls for the Board to learn more regarding those programs. Mike also stated that he was looking into a few vacation clubs to take on some of the resort’s inventory. He noted that using a combination of sales approaches would provide more opportunities for getting available shares into the hands of paying owners. Additionally, Mike indicated that he continued to discuss the sales and marketing program with Joanne Regnault. Phil suggested that, once the resort’s sales and marketing program is expanded, avenues available for owners to sell or rent their units be the subject of an owner newsletter.

Wayne Rioux at this point needed to leave the meeting.

With respect to a reconstructed pool, Mike noted that – as the town budget for the upcoming year has already been established -- discussions with town officials regarding the possible shared financing of a reconstructed pool would be in anticipation of action next year. Mike indicated that he was obtaining an additional estimate of the cost of pool reconstruction (an initial estimate having been obtained last year by the prior Board). He also reported that RCI indicated that they credit the same number of points in their system regardless of whether a pool is open or enclosed, although an enclosed pool is an advantage when selling off-season weeks. Board members also discussed ideas about considering the pool project in the context of a “recreation complex” that could also include a renovated outdoor tennis court, an outdoor basketball court, and/or a shuffleboard court utilizing the space now occupied by two tennis courts.

Executive Session

Samantha Disotell and Mike McManus left the meeting, and the remaining Board members then met in executive session with Vice President of Facilities Planning Cheryl Moore and Secretary Chris Lindgren present.

Following the executive session, the meeting was adjourned.

Respectively submitted

Chris Lindgren, Secretary